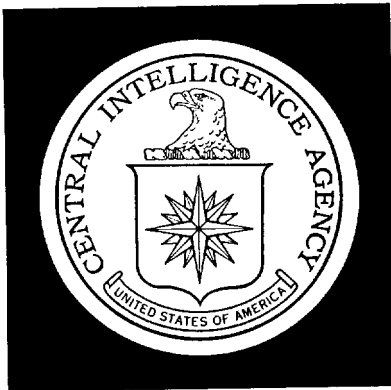


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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

State Dept. review completed.

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44

18 December 1970  
No. 0401/70

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## FAR EAST

Vietnam: *Breaking the Lulls*

A rash of terrorist incidents and scattered shellings in the lower half of South Vietnam at midweek apparently mark the beginning of a pre-holiday period of increased enemy hostilities. Two grenade incidents in the Mekong Delta provinces accounted for unusually heavy civilian casualties—some 30 killed and nearly 150 others wounded. Allied quarters in Saigon have been targets of explosions, and the Communists have stepped up their mortar and rocket bombardments in MR 3.

Preparations for action are also being completed in the northern half of the country. Enemy units there are better off than those farther south, which have been handicapped by the effects of the Cambodian operations. Consequently, Communist attacks in MR 1 could be of somewhat greater scope and magnitude than those in MRs 3 and 4.

Meanwhile, South Vietnamese sweep operations into some long-time enemy strongholds are going well, while other probes have encountered stiff opposition. A drive into a base area in Pleiku Province already has created problems for enemy forces in the highlands.

government soldiers have uncovered several rice caches. Far to the south, South Vietnamese regulars probing the U Minh Forest have run into pockets of strong resistance. In mid-week, the South Vietnamese suffered more than 80 casualties and the Communists 54 in a running 12-hour battle. These are the heaviest

allied losses in one day since the new push began several weeks ago.

*Students Take to the Streets*

Militant student leaders have been able to organize protest demonstrations in Saigon for the first time in several months as a result of the incident in Qui Nhon city last week in which a Vietnamese student was killed by a US soldier. The militants had hoped to use the incident to exploit anti-American sentiment and to launch a more massive campaign against the Thieu government, but quick and forceful action by police, as well as lack of support from other opposition groups, has kept their demonstrations small. Although the student leaders received some press support, debates in the National Assembly over the Qui Nhon incident were in low key, and the An Quang Buddhists decided not to make an issue of it.

This week the students turned their energies to isolated terrorist attacks on US vehicles, and they hope to set up organizations throughout the country to continue such attacks. They hope this will eventually fan anti-US feeling on a national scale. Their failure to promote large-scale agitation thus far, however, suggests that the militant students will have difficulty fomenting any impressive new demonstrations on the basis of the Qui Nhon incident alone.

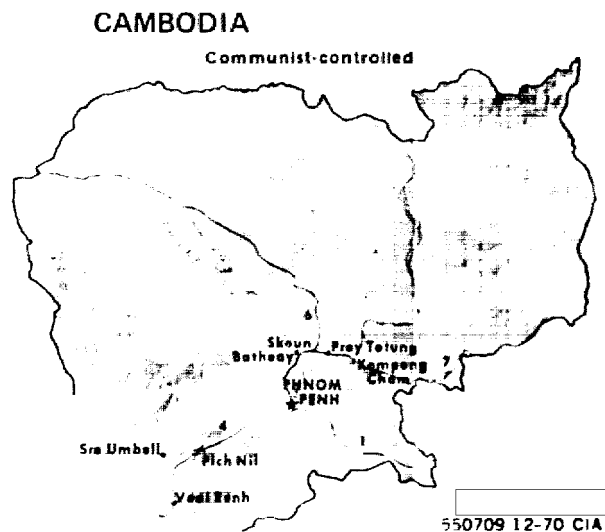
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Cambodia: *ARVN to the Rescue*

The government's sagging military fortunes in western Kompong Cham Province were boosted considerably by the arrival of a South Vietnamese Army (ARVN) task force to help the Cambodians reopen Route 7 between Skoun and Kompong Cham city. At the same time, however, stories of ARVN misdeeds in other areas of the country put new strains on Cambodian - South Vietnamese relations.

Three ARVN paratroop battalions, backed by air and artillery support, encountered little enemy resistance as they began moving west from Kompong Cham city on Route 7. The Cambodian portion of the joint clearing operation ran into much tougher going, however. Five government battalions that were to participate in the advance from Prey Totung eastward toward the ARVN forces suffered extremely heavy casualties during several strong enemy attacks in the Prey Totung area. Continuing Communist pressure, which may have been exerted primarily by elements of the Viet Cong 272nd Regiment, kept these battalions pinned down.



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Cambodian soldiers finally succeeded in clearing a section of Route 6 south of Skoun when they regained control of the area around the village of Batheay. Scattered Communist harassing attacks were reported, however, along several other stretches of Route 6, above and below Batheay.

Despite Saigon's willingness to aid the government militarily, the Cambodians continued to accept even the most lurid accounts of ARVN misdeeds. Phnom Penh has sent several protest notes to Saigon, but Lon Nol—recognizing Cambodia's military dependency on South Vietnam—reportedly has taken steps to tone down the circulation of ARVN atrocity stories, at least in the capital.

There is also some evidence that Saigon is determined that such incidents must not be allowed to undermine its more important interests in Cambodia. Prime Minister Thieu has ordered that all future reports of ARVN misconduct be investigated and resolved by local commanders to prevent them from becoming political issues at the national level.

In other military developments, the Communists expanded their campaign against Route 4 by putting pressure on government positions west of the Pich Nil Pass, particularly at Veal Renh. To the north of Veal Renh, the Communists occupied Sre Umbell, and also dispersed a nearby government battalion.

There were no indications that the government is preparing to launch a drive to retake the Pich Nil Pass. The lack of access to Kompong Som (Sihanoukville) has forced the Cambodians to turn to Saigon for emergency shipments of POL supplies in order to prevent a serious fuel shortage in Phnom Penh. Arrangements were made to move POL to the Cambodian capital via truck convoys on Route 1 and also up the Mekong River from Saigon.

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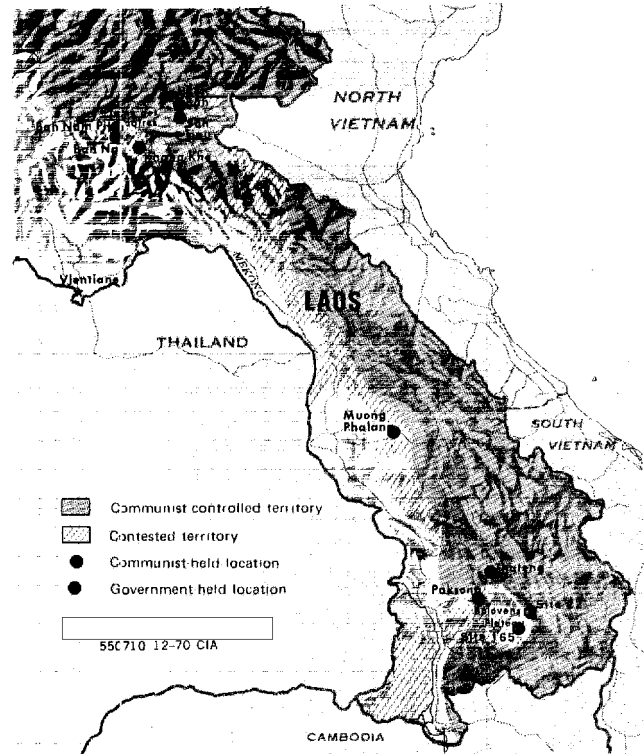
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### Laos: *Uneasy Quiet Prevails*

Military activity in southern Laos has remained at a relatively low pitch since the government's successful defense in early December of Site 22 on the eastern rim of the Bolovens Plateau. Communist probes and rocket attacks have continued both there and at nearby Site 165, but tactical air strikes have been generally successful in keeping the enemy off balance.

In other action on the Plateau, Paksong was rocketed on 11 December for the first time since early spring, perhaps presaging more vigorous enemy action in this sector. A three-battalion government sweep operation north of Paksong made contact with enemy forces just south of Thateng.

In the north, government forces moving on the Communist logistic center at Ban Ban have been hampered by bad weather, booby traps, and sporadic engagements with North Vietnamese and Pathet Lao troops. New drives were initiated from the San Tiau base camp on 12 December, but only limited progress has been made. So far the Communists have relied on local security forces,



logistic personnel, and artillery units to stem the government's advances in this area.

Government positions south and west of the Plaine des Jarres were harassed during the past week, but few casualties were sustained.

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Communist China: *Putting the Cop Back on the Beat*

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Peking apparently is moving cautiously ahead on the sensitive issue of resurrecting its emasculated civilian public security apparatus at the local level. Since the Cultural Revolution, internal security has been largely maintained by regular army troops abetted by local vigilante groups, but in recent weeks

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responsibility for public order in Canton, the provincial capital, is now reverting to the People's Police. Radiobroadcasts from other provinces have also disclosed that formerly discredited public security officers are returning to work and that a skeletal hierarchy resembling the former local public security bureaus is slowly re-emerging. Still open, however, is the crucial question of who will exercise over-all control of the national public security system--at one time an extremely important power asset within the ruling elite.

The People's Police were stripped of their weapons early in the Cultural Revolution, as most security officials came under severe criticism for supporting veteran party officials who were under heavy fire from militant Red Guard groups. Their return to duty in Canton is probably indicative of a nationwide trend. This would mark a major turning point in normalizing the public security system inasmuch as the People's Police had been its principal enforcement component.

The re-emergence of armed police in major cities is likely to lead to a reduced role for surrogate civilian security forces, such as the Workers Provost Corps, and to the increasing withdrawal of regular army units from the onerous chore of maintaining civil discipline. Nevertheless, final authority over the local police is likely to remain in the hands of army officers who have concurrent civil responsibilities.

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such officers are heading up the security departments that apparently are being formed within governing revolutionary committees in many locales.

Despite gradual progress on the local level, there is still considerable uncertainty as to whether China's public security system will ever become the powerful and pervasive control organization it was before the Cultural Revolution. The new State Constitution, for example, imposes certain restraints on the system by virtually guaranteeing the right of the "masses" to circumvent authority through the publication of their own political views in "big character" posters and through participation in political trials. More importantly, there are major questions as to the extent the Ministry of Public Security in Peking will succeed in reasserting its bureaucratic rights and resume over-all control of police functions.

References to security affairs are extremely rare in official regime pronouncements, but earlier this year an unusual *Peking Daily* article suggested that future control and organization of the Chinese public security system have been the subjects of high-level debate. The main theme of that article was that public security should not simply be the province of a specialized ministry that could be subject to control by a small group of "careerists and plotters." Within a month after the appearance of the article, security minister Hsieh Fu-chih was purged, and it is possible that disagreements over the ministry's future role and the extent of its "autonomy" were factors in his fall. To date, there has been no discernible effort to find a replacement for Hsieh, and it seems likely that infighting over the public security portfolio as well as over the broader issue of civilian versus military control over the ministry continues unabated.

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COMMUNIST CHINA: The regime has approved the formation of its first provincial party committee since the Cultural Revolution. According to a Peking radiobroadcast last week, Hunan Province recently elected a new 90-member party committee headed by a veteran party official and two ranking military leaders in the province. This committee is the most important party organ established since the party's central committee was reconstituted at the Ninth Party Congress in April 1969, and its formation suggests Peking is eager to give renewed impetus to the party building process. Since the congress, most areas of the nation have made only uneven progress in rebuilding the party structure from the bottom up, despite regime claims that the rebuilding process

was the first order of domestic business. Only approximately seven percent of China's more than 2,000 counties, for example, are known to have formed party committees. Based on the Hunan example, it appears that in most areas of China the post - Cultural Revolution party apparatus that eventually emerges will be heavily dominated by veteran party officials and army men. However, the extent to which some of these officials are able to work in concert and the problems they may encounter in sharing authority with revolutionary activists from the Cultural Revolution period both are issues that are likely to continue to pose major obstacles to party rebuilding in a number of provinces.

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### Burma: *Student Unrest Mirrors Popular Discontent*

Student violence that has broken out recently in several cities is symptomatic of popular disenchantment with the military government. Students particularly resent the regime's practice of handing out its limited plums to a favored few.

Disturbances erupted in Rangoon on 21 November when students with valid reserved-seat tickets to a government-sponsored national sporting event found that their seats had been pre-empted by government officials and their friends. Attendance at such events is sought after in sports-minded Burma. After being turned away from the stadium, the dissatisfied crowd rampaged through downtown Rangoon, breaking store windows and traffic lights and wrecking several buses.

This disturbance was quickly put down, but student rioting that broke out on 4 December in the provincial city of Moulmein was more persistent. The situation became serious enough that

the government stopped rail and air traffic into the city. Following a truce with the students, the military then cleared and closed Moulmein University on 6 December, herding out-of-town students into railway coaches. The Moulmein students focused on the government's education system, which denies them the privilege of choosing their fields of study. The students also believe that children of military officers and government party members are placed in courses that lead to the most remunerative employment.

Lesser disturbances occurred in the provincial centers of Bassein, Mandalay, and Taunggyi. As it did a year ago, the government has closed all schools for a month to let tempers cool. In all, several hundred students were arrested in the demonstrations, joining several hundred more that were arrested in Rangoon last month, plus a few still in jail for their part in student agitation a year ago. The students are primarily concentrating on domestic ills, and they do not appear to have any significant interest in U

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Nu's opposition movement. The former Burmese leader, however, will probably use his clandestine radio in an attempt to exploit this discontent.

These outbreaks of student grievances place an additional burden on the military government, which already has its hands full in trying to deal with Burma's declining economy and ever-present insurgents. They also come at a time of increasing strains within the military hierarchy. General Ne

Win has shown annoyance with the incompetence of his military colleagues in top policy posts, but he refuses to tap civilian talents. Probably with an eye to curbing infighting on the ruling Revolutionary Council, he has publicly emphasized the need to forget past factional animosities. His military government seems competent to handle outbreaks of popular discontent, but it clearly has passed the point of gaining any significant public following.

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## EUROPE

### Khrushchev Remembers

The publication of Khrushchev's reminiscences has returned to the limelight after six years of obscurity the figure of the quirky, dynamic former leader, and with it—inseparable as the reverse side of a coin—the Soviet leadership's intractable problem of Stalin's image. An obvious effort has been made in the published material to avoid anything that might be damaging to the Soviet Union's power position and interests in the international arena, and there is nothing derogatory concerning Khrushchev's successors in the Kremlin. Nevertheless, the over-all tone is as determinedly "liberal" in the Soviet political spectrum as was Khrushchev's own de-Stalinization campaign. Moscow's response to the publication has been quite cautious—a belated and carefully phrased half-repudiation of responsibility by Khrushchev himself.

At first reading, there is no obvious evidence as to the genuineness of the material. Great chunks are clearly Khrushchev himself—the peasant-miner who clawed his way to power and grew in stature, if not in subtlety of intellect. The crimes and errors of the Stalin years, already revealed by Khrushchev and others during his term in office, are repeated with some new de-

tails, but also with the self-serving reticences and selectivity of a former leader with his eyes on his own place in history.

The reminiscences are clearly fragmentary. There are gaping holes in continuity and, indeed, in consistency of philosophy. Scattered through them in almost random fashion are proposals for new Soviet policies, primarily in domestic affairs but with inevitable corollaries in foreign policies. The policies advocated are introduced with the same old, familiar air of Khrushchev impulsively "sounding off." In today's more sedate political atmosphere in the Kremlin, they add up to a strong call for change—primarily in the direction of liberalization of the system. Among the most startling of these is the proposal that the Soviet Union unilaterally stop the spiraling arms competition if no bilateral agreement on this subject can be reached with the United States.

It is primarily in these areas that the possibility of "adulteration" of the Khrushchev material by others arises. Although the reminiscences seem to have originated in the Soviet Union, with much of them genuine Khrushchev,

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there is no good information on the hands through which they passed, or on whose initiative they were published. The ubiquitous Viktor Louis, an enigmatic figure at best, reportedly had a hand in the matter, at least in the later stages. It seems highly unlikely, however, that the KGB, with whom Louis has tenuous ties, officially initiated the publication project. The thrust of the reminiscences in raising once again the dark past of the Stalin years and the corollary calls for reform run directly counter to the quiet refurbishment of Stalin's reputation over which the current Soviet leaders have presided. On the other hand, the fact that such a tremendous amount of material was successfully leaked out of the Soviet Union raises the possibility of some high-level Soviet interest in accomplishing its publication—something that could be done only in the West. The project looks like an effort to unbalance the

coalition in the Kremlin in the period preceding the party congress next March, but there are no good clues as to the instigator.

Plans for publication were announced in the US on 6 November. Khrushchev's careful repudiation of responsibility for sending the material out of the USSR, which failed to repudiate the material itself, was dated 10 November. TASS did not release even this half-hearted denial until 16 November, and *Pravda* carried the terse statement the following day. The appearance of the first of the *Life* excerpts was saluted by a pro forma article in *Izvestia* dubbing the memoirs "another CIA fraud."

*Khrushchev Remembers* appears at present to be the opening chapter of a story whose end is not yet in sight. [REDACTED]

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### Czechoslovakia: *The Purge Is Officially Over*

On 10 and 11 December Communist Party boss Husak finally convened the plenum of his central committee that had been delayed for several months by factional infighting. A year and a half after taking over from Dubcek, Husak announced to the meeting that his selective purge and moderate course had achieved sufficient stability in the party and among the population that plans could now be made for the future. Although warning that a rear-guard action must still be fought with the Dubcek liberals of 1968, the party first secretary said that the time had come for reconciliation with all citizens who were willing to cooperate, even those dropped from the party. Husak apparently still expects footdragging from conservatives, and he reaffirmed the main plank in his political platform that there could be

no return—on pain of losing one's post—to the bureaucratic terrorism practiced by the regime of Dubcek's predecessor, Novotny.

Although there was much talk about the future at the plenum, the party's plans were overshadowed by preoccupation with the purge, and few new programs were advanced. For example, the much-needed 1971-1975 economic plan was not ready for presentation; however, the lack of a Soviet plan with which to coordinate is probably partly responsible for this. Steps were taken to curb Slovak autonomy by adopting measures aimed at recentralizing control of the economy and reorganizing the government structure created under Dubcek. The government changes will probably be announced next week. [REDACTED]

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**SECRET****No Surprises in 1971 Soviet Economic Plan**

The USSR's economic guidelines for 1971, presented at last week's Supreme Soviet session, indicate no major shifts in the allocation of resources among the principal claimants—defense, investment, and consumption. They call for moderate rates of growth by major production sectors consistent with the economy's improved performance this year over its poor showing in 1969. The

new five-year plan (1971-75) is still under discussion and will not be presented until March 1971, which probably necessitated a conservative approach to planning for 1971.

Although the explicit defense allocation in the state budget remains at the 1970 level, an increase in military and space expenditures is

**Selected Indicators of Soviet Performance 1966-71**

(CIA Estimates)

Annual Percentage Rates of Growth  
(rounded to nearest half percent)

Highlights of 1971 Plan		1966-69 <sup>a</sup> / Actual	1970		1971 Plan
			Plan	Actual	
I. MAJOR AGGREGATES	Gross National Product (Western concept)	5	6	6-6½	6
Goals in Line with 1970 Performance	Industrial Production	6½	6½	6½	7
	Agricultural Production	2½	8½	6-7	5½
II. INVESTMENT	Total	7	7½	9½	7
Continuation of 1966-70 trends	Consumer-Oriented Sectors	7½	7½	4½	7½
	Growth-Oriented Sectors	6	8	15½	7
III. MACHINERY ALLOCATION	Total Production Machinery (including military)	8½	9½	7½	10
Lower Growth in Civilian Sector, Implying Boost in Military/Space Uses	Allocated to Civilian Uses	7½	9	9	6½
IV. RESOURCES ALLOCATED TO AGRICULTURE	Deliveries of Machinery	6½	4½	4½	10
Mixed Goals	Deliveries of Mineral Fertilizer	9½	19	19	8½
	Additions of Reclaimed Land (million acres)	2.9 (avg. annual)	3.1	3.1	3.2
V. CONSUMER WELFARE (Per Capita Basis)	Consumption	5	3	4½	3½
Moderate Slowdown	Retail Trade	7	6	6	6½
	Housing Space	2	1½	1½	1½

<sup>a</sup>: Average annual rate of growth.

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suggested by other indicators. Outlays for "science"—a category that includes most space and defense research and development activities—are scheduled to rise by nearly 8½ percent in 1971. Also, a significant increase in the production of military and space hardware is implied by the gap between the ten-percent increase planned for total machinery output and the 6½-percent increase planned for output of machinery for civilian uses—investment and consumer durables.

The pace of improvement in consumer welfare began to decline in 1969-70 and is scheduled for a further slowdown in 1971. Real income per capita (including wages, salaries, farm income in kind, and welfare payments) is targeted to increase about 4½ percent, less than the average rate of growth achieved during 1966-70. A sharp decline in the growth of wages is to be partially offset by a boost in various welfare expenditures.

Farm output is targeted to increase by 5½ percent over 1970's good agricultural performance. The farms will receive a four-million-ton increase in deliveries of mineral fertilizer—about one half of the exceptionally large increase posted in 1970—but deliveries of agricultural machinery and equipment are scheduled to be double the rate of increase achieved in 1970. Given the overall modest increase in resources, prospects for a substantial gain in agricultural output are dim, unless the above-average weather conditions of this year are matched in 1971.

Industrial production is planned to grow by about seven percent next year, slightly above the rate attained in 1970. The annual rates of growth of basic industrial materials—fuels, power, and metals—are generally the lowest in several years, reflecting the low rates of investment these industries received in the last half of the 1960s. Although a large increase in investment in heavy industry occurred in 1970—a rise of about 20 percent compared with an average annual rate of growth of 6½ percent in 1966-69—and a general continuation of this high rate of investment growth is indicated next year, no major expansion in production will result until after 1971. Qualitative improvements as well as the introduction of new capacity, important elements in the rapid expansion of industrial investment in 1970, will continue in 1971.

The acceleration in industrial investment, most notably the introduction of labor-saving equipment, is in accordance with increasing official concern over continuing declines in the growth of the labor force. This year's plan and budget speeches devoted an unusual amount of attention to the issue of labor efficiency. The 1971 plan indicates that the labor force will grow by less than one percent in industry, by about one half percent in construction, and will remain unchanged in rail transport, the lowest rates of growth in the postwar period.

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**POLAND:** After two days of bloody rioting, arson, pillage, and street fighting in Gdansk, Gdynia, and Sopot, the authorities restored order on 16 December. Lesser disturbances were reported in five other cities. The riots were the popular reaction to changes in prices announced by the government on 12 December that sharply cut the average worker's purchasing power. The disturbances reportedly were put down with the aid of the military, and the authorities have

promised severe punishment for the rioters. Although minor concessions may be made to the population, the Gomulka regime is likely to persist in its hard line. There probably will be no crisis of leadership, although some scapegoats may be found later. No new riots are expected, but resentment remains high, and new disturbances could be provoked should the government choose to make an unwise move. Tensions will be protracted throughout the winter.

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USSR-Berlin: *Inner-German Talks at Stage Center*

The four-power talks on Berlin were brought to a temporary halt following the twelfth ambassadorial meeting on 10 December. Ambassadorial sessions will resume on 19 January. It is unlikely that the formal interruption in the talks will produce any corresponding diminution of diplomatic maneuvering on Berlin. Soviet energies now are concentrated on convincing Bonn—and, if possible, the UK and France—that the US is deliberately obstructing progress in the four-power talks and that direct West - East German talks hold the best prospect for forward movement.

Within the confines of the four-power talks themselves, the question of inner-German talks has become increasingly important. Soviet Ambassador Abrasimov's tactics at the last ambassadorial meeting were aimed in large part at bringing about an enhanced German role in the negotiations at the expense of quadripartite rights. Soviet purposes are served by leaving much of the substantive content of any such agreement to be settled between Bonn and Pankow, a process that in itself could infringe on Allied prerogatives in Berlin.

Outside the talks, Soviet officials have been actively pressing the line that West Germany must pursue a more active role in order to keep alive any hope of progress on Berlin. They reportedly have also argued that the concept of a four-power mandate would constitute an infringement of East German sovereignty, and is therefore unacceptable.

Although domestic politics are not exerting immediate pressure, West German officials are no doubt disappointed that no greater progress was

made in the four-power meeting. They know that the French now are in favor of completing the Berlin talks as quickly as possible in order to clear the way for movement toward a conference on European security. The British are unlikely to obstruct an agreement acceptable to the other powers. Thus, even without Moscow's divisive tactics, the US must appear to Bonn as the most stubborn element on the Western side. Recent statements by Chancellor Brandt leave him firmly and publicly committed not to undertake direct negotiations with East Germany on Berlin until he has four-power authorization. There can be no doubt, however, that Bonn is eager to find some formula by which four-power rights might be reconciled with Soviet - East German assertions on East German sovereignty, so that Bonn and Pankow can proceed with direct talks.

The East Germans say they are ready for additional negotiations with the Federal Republic. Party boss Ulbricht has offered to negotiate on reciprocal transit traffic between and across the two Germanies in return for an end to Bonn's allegedly "unlawful interference" in West Berlin. West German traffic to Berlin is included in this offer.

At the same time, however, the East Germans, apparently fearing the effects of the détente atmosphere among their own people, are moving to the defensive. Ulbricht told a party plenum that even though he was ready to coexist peacefully with West Germany, he was still suspicious of Chancellor Brandt's motives. Another politburo member drove home this point, calling Ostpolitik a "Trojan horse." All speakers stressed that Bonn was seeking to undermine the Communist regimes in Eastern Europe, particularly that in East Germany.

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## East German Leadership Recognizes Economic Problems

Speeches delivered last week at the party's central committee plenum contained unusually frank admissions of the serious economic problems currently facing East Germany. Many of the difficulties are chronic and deep-seated, but the regime now may feel obliged to meet them head-on because the new long-term plan (1971-75) is slated for promulgation.

Premier Willi Stoph, noting particularly the need for realism following another year when major economic plan goals were unfulfilled, called for a lowering of the important national income and industrial productivity targets. The decision to plan for only a modest increase in productivity points up the gravity of East Germany's economic problems where growth must be achieved largely through increased productivity because the size of the labor force continues to stagnate.

Coal and electric power shortages, which caused widespread consumer discontent last year, are likely to become serious again this year as the winter weather becomes more severe. Consumer restiveness may be increased by food shortages and anticipated rationing of some commodities, particularly butter.

The 1970 grain crop was only 6.5 million tons, the smallest since 1966, and this is the second consecutive year that output has declined. Imports of food from capitalist countries will continue to be necessary to keep food consumption at current levels. This, together with the need for fodder imports of one million tons during the 1970-71 winter, not all of which can be expected to come from the USSR, bodes ill for East

German plans to reduce imports in an effort to cope with the nation's worsening balance-of-payments situation.

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[redacted] East German foreign trade officials have demanded extraordinary efforts to expand exports to, and reduce imports from West Germany, with whom Pankow has a substantial trade imbalance. This may even take the form of shifting exports scheduled for CEMA countries to West Germany, where possible. Through the special nature of East - West German (interzonal) trade, East Germany has retained a ready source of modern technology, which trade with its CEMA partners does not provide. Established contacts between East and West German traders, and East Germany's ability to run up substantial deficit trade balances without having to settle in cash, have proved particularly useful for satisfying short-term emergency needs. The leadership has made a conscious effort to reduce its dependence on this trade, particularly for goods essential to economic development. The trade gap has been narrowed slightly during the first nine months of 1970, but East Germany's indebtedness to Bonn remains at a very high level.

The measure of realism shown in these recent speeches, and the apparent reduction in some plan goals for 1971 may signal that a new effort to deal with East German economic problems is to be undertaken. Recognition of these basic troubles alone, however, will do little to solve the economic problems brought on by the long-standing failure to modernize an obsolescent economy, years of inept planning, inefficient production, labor shortages, and continued low productivity. [redacted]

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**Belgium: *Government Wins Constitutional Reforms***

After several years of fruitless legislative battles, the Eyskens government on 10 December won the approval of the lower house of parliament for a sweeping constitutional reform that should go far toward easing the decades-long frictions between the country's Walloon and Flemish communities. The approval of the upper house is expected momentarily, inasmuch as it had earlier passed much of this legislation in slightly different form.

The amendments will grant the two major linguistic communities greater political, cultural, and economic autonomy, but they stop short of establishing the outright federalism that the increasingly militant parties in both camps demand. Important new provisions include dividing both

houses of parliament into French- and Dutch-speaking groups, either of which can block legislation it deems detrimental. Also new are the Walloon and Flemish cultural councils, which will have considerable powers in regional, educational, and cultural affairs. Legislation providing some regional economic autonomy was passed last summer.

Over the years the most contentious aspect of the reform has been the question of Brussels, a largely Francophone, but officially bilingual enclave in Flemish territory. The key to lower house approval of the package last week was an agreement by certain Walloon deputies to provide the necessary quorum in exchange for a government promise to introduce detailed legislation on the Brussels problem by the end of January.

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In general, the new understanding on the future of Brussels gives what the Flemings want in territorial terms and what the Francophones desire in linguistic freedom. The bilingual city of Brussels will continue to be limited to its present 19 urban communes, while 6 suburban communes will remain officially Flemish. However, French-language facilities will be provided for the Walloon population in the latter communes. This provision will encourage the further resettling of Francophones into the Flemish suburbs, a movement likely to cause continuing frictions.

Passage of these overdue reforms is a significant achievement that should give the harassed

government parties sufficient prestige to last out their mandate until the scheduled elections in the spring of 1972. Over the longer term, it remains to be seen whether the reforms can accommodate within the system the growing estrangement between the two major sections of the country. The small militant parties, whose gains in local elections in October probably spurred some deputies who had previously opposed the reforms to go along with the government in December, will continue to benefit from frictions. To survive as national organizations, the three major parties will have to persist in internal reforms granting greater authority to their regional wings.

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## MIDDLE EAST - AFRICA

### Israel: *Return to Jarring Talks May Be Imminent*

Israel this week appears close to announcing that it will return to the Jarring talks.

Following Defense Minister Moshe Dayan's return from the US on 13 December, Prime Minister Golda Meir began a series of consultations with members of the cabinet. These meetings were described as being for the purpose of determining whether Israel's conditions for a resumption of the talks had been fulfilled, but diplomatic sources in Jerusalem report that it is almost certain Israel will decide to return. The final decision reportedly is to be made at the next full cabinet meeting, scheduled for this coming Sunday.

According to the US Embassy in Tel Aviv, it became clear to the Israeli public after Mrs. Meir's speech to the Knesset on 16 November that the Israelis were no longer demanding a rollback of the missiles from the standstill zone and that

there was general agreement on the principle of returning to the talks. In the wake of the recent announcement of a proposed \$500-million US credit for arms purchases, the Israelis have enjoyed a stronger sense of security than at practically any time since the 1967 war. In addition, almost all Israelis would like the cease-fire—with its sharp reduction of casualties and tension—to continue.

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MISSIONS TO MOSCOW: Egyptian Vice President Sabri and Sudanese Defense Minister Abbas are both going to be in Moscow this weekend. Abbas has been there since 8 December and Sabri, accompanied by senior Egyptian military and diplomatic officials, will arrive on 20 December. A high-level Libyan military delegation, led by Chief of Staff Yunis, was in Moscow for talks at the end of November. These delegations, representing

three of the four members of the nascent Arab Confederation, probably discussed with Soviet leaders the supply of additional arms, as well as the coordination of political strategy—particularly what steps can or will be taken if the cease-fire expires or breaks down. The most recent cease-fire agreement is nearing the halfway mark with little sign of diplomatic progress.

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### Jordan Strives to Make Truce Work

In the aftermath of the army's strike against Jarash last week, moderate elements among both the fedayeen and the government have put forth more strenuous efforts to make the cease-fire agreements work. In doing so, they have received unexpected encouragement from Egypt and renewed support from truce supervisor Bahi Ladgham. The redoubled efforts underline the common fear of both sides that a collapse of the cease-fire will bring a renewal of the fighting in which both sides will suffer losses that neither can afford.

There now is little doubt that the battle in Jarash was not an accident. Whether it was

touched off by army provocations or by restive fedayeen activists is still not clear.

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At Jarash, the fedayeen capture of the police station was an invitation for the army to remove a thorn in its side. The fedayeen claimed that the army intended to go on to take Ajlun and Irbid. In any event, the army was restrained by presumably cooler heads who were more sensitive to the queries from other Arab states and who were bolstered by the influential efforts of Ladgham. Other than for minor incidents, the fighting in northern Jordan has now died down again.

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Ladgham threw himself into a heavy schedule of meetings with surprisingly effective initial results. He also managed to bring the prestige of Prime Minister Wasfi Tal into his mediating procedures as well as that of fedayeen chief Yasir Arafat. Both of them accompanied Ladgham on a fence-mending tour of the northern trouble spots and participated in the enlarged sessions of the Higher Arab Supervisory Committee.

All this activity brought a number of supplementary decisions designed to implement further the basic cease-fire agreements. In the north, the fedayeen were to deploy to new bases in the countryside within 15 days, while the army agreed to evacuate newly won Jarash immediately. Moreover, the undisciplined militia elements of both sides are to give up their arms, and joint fedayeen-army teams accompanied by commission personnel are to ensure that this is in fact carried out.

It now remains to be seen whether both sides are merely buying time before the next major clash. Suspicion and belligerence still dominate the emotions of soldiers and fedayeen alike.

The army wants to pull the teeth of the fedayeen movement while it still can; the fedayeen know this but are not now strong enough to prevent it.

All indications are that the fedayeen leaders are making active and honest efforts to control their hotheads while maintaining their bravado through propaganda. They claim that a government breach of the cease-fire would be answered by assassination, kidnaping, and bombing. On the government side, Wasfi Tal seems to be determined to hold the army hawks in check long enough to give the cease-fire an opportunity to take hold. Although he appreciates the army's preference for strong measures, he also recognizes the need to retain Egyptian President Sadat's unexpected support in maintaining the truce, particularly in view of Egypt's new relationship with Syria in their embryonic union.

The key to this delicate balance has been the work of Tunisian ex-Premier Ladgham and his Arab colleagues on the various truce committees. If he resigns soon, as he has threatened, it would be a serious blow to the hopes for a permanent cease-fire. [REDACTED]

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GUINEA: Last week's session of the Organization of African Unity approved a special assistance fund for Guinea, railed against "mercenaries," and promised increased support for anti-Portuguese guerrilla movements, especially in Portuguese Guinea. The conferees also charged NATO with complicity in Portuguese "aggression" against Guinea. Creation of some kind of "African High Command" was deferred, but a study of ways to promote African mutual security was ordered.

In Guinea, meanwhile, the authorities are rounding up persons alleged to have abetted the recent Portuguese attack on Conakry or whose loyalty to President Toure is suspect. So far, two second-level cabinet officers have been arrested and other officials have been detained at least temporarily for questioning. Foreign assistance continues to arrive, and more is evidently still in the pipeline. [REDACTED]

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**Upper Volta: *First Elections Since Military Take-over***

Voters in Upper Volta will go to the polls on 20 December in the first elections in this West African republic since the military take-over in 1966. Seven political parties will compete for the 57-seat National Assembly. The elections will move the country a step closer to civilian rule, but the army will remain the real arbiter of political power.

Under a constitution drafted by the army and approved by referendum in June 1970, General Lamizana will continue as president and army men will hold one third of the cabinet positions during a four-year transition period. General Lamizana, who rules with a firm and reasonably honest hand, is determined to prevent an early return to the corruption and factionalism that had characterized Voltan politics in the period between independence in 1960 and the coup in 1966. The electoral campaign has been marked by some brawling, but the government believes it can control any disturbances that might occur during the elections.

The bickering of the political parties since they were allowed to resume activity in October 1969 has apparently convinced the military that

it was justified in delaying turning the government over to civilians. None of the parties has broad national support, and all are divided by tribal and personal rivalries. In the Voltan tradition, each party is dominated by personalities rather than by issues. Only the leftist National Liberation Front has pulled together a skeleton of a program. The front-running African Democratic Rally (RDA), which has openly boasted of financial support from its brother party in Ivory Coast, is badly fragmented. It will have to improve its relations with the military if it is going to use effectively the majority it will probably win as the party of the Mossi, the largest Voltan tribe. Most of the smaller parties are inconsequential.

President Lamizana, who is from a minority tribe, has chosen proportional representation to ensure that the RDA will not take all the seats. He has repeatedly said that he wants all points of view represented in the assembly "rather than on the streets." Although the role of the assembly will obviously be limited under the present regime, it presumably would become more significant in any future civilian government.

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**Turkey: *Storm Clouds Gather***

The storm continues to build around Prime Minister Demirel, raising serious questions about his ability to hang on. Although he has received a new "vote of confidence" from the Justice Party Assembly—the controlling body of his party between national conventions—Demirel has been unable to strengthen his position in parliament. He also faces increasing criticism from the press and public, and some friends have advised him to resign.

Demirel continues to express confidence that he can maintain the loyalty of enough members of his own party and attract enough other support to pass important legislation. At this point, however, his ability to maintain a working majority in parliament is by no means certain.

The prime minister appears to have two options; he can either try to muddle along with an uncertain majority or he can resign. If Demirel goes, President Sunay could ask some other political leader to try to form a coalition regime; no other single party comes close to having a majority in parliament. Such a government probably

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would be no more successful than similar ones in the early 1960s. Sunay would also have the option of setting the wheels in motion for new elections while appointing a caretaker government. Although elections might be scheduled in the spring, they probably would be delayed until summer or early fall to allow for necessary campaigning and preparation.

All such options may be taken out of the hands of the politicians, however, as there are increasing signs of restiveness and impatience among the armed forces over the current sluggishness of parliament and the recent increase in extremist violence. For the second time in six months, the chief of the air force has formally criticized the drifting political situation and student unrest, indicating that the armed forces would not stand by and watch political extremists tear the democratic regime apart.

Leftist elements almost certainly are also planning to exploit any breakdown in the governmental process, because they have long regarded such a situation as their best hope for engineering a socialist-type government. The leftists, however, probably would be one of the primary targets should the military take over.

## WESTERN HEMISPHERE

### Chile: *Politics and Economics*

#### *The Christian Democratic Party*

The Christian Democratic Party (PDC) elected new leadership at its junta held on 12-13 December. Although the semblance of a unified party emerged from the meeting, the split between leftists and moderates has merely been papered over once again. The "Christian left" group had hoped to elect as party president Senator Renan Fuentealba, to whom ex-president Frei and his supporters objected strongly. A compromise candidate, Narciso Irureta, is less objectionable to the Frei group, but politically and ideologically he is identified with the "Christian left."

The PDC is expected to try to maintain its position of "loyal opposition" to the Allende government. Under Irureta's leadership, which will be weak, this program will not be the hard-hitting one Frei had anticipated. Although Frei

appeared at the junta, he limited his participation to delivering a bland plea for party unity.

The new leadership will organize the party's campaign for the important municipal elections to be held in April. The fact that the Frei forces are participating in the party directorate, however, will minimize their opportunity to criticize the party if it fares badly at the polls. In addition, the "Christian left" will have a leading role in organizing the PDC national congress, scheduled for next summer. At that time, the party "definition," which may set the course for the next few years, will be drawn up.

#### *Nationalization activities*

The government's schedule for proceeding with its nationalization of various industries is slipping somewhat, although there now are

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[REDACTED] With respect to nationalization of the banking system, the PDC favors state control only of foreign banks and "cooperativization" of the private system. The government hopes to bring the whole network under state control.

The administration has begun talks with the country's biggest steel producer aimed at complete nationalization of the company. [REDACTED]

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The vice president of the Agrarian Reform Corporation early this month said that he believes the government must accelerate the expropriations being carried out. He added that the government would have to indoctrinate peasants to think in collective terms rather than of individual ownership of the land. [REDACTED]

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### Haiti: *Recent Maneuvers by President Duvalier*

President Duvalier's shake-up of top military officers early this month, the unexplained movements on 11 December by his military, and his rumored plans to convoke a special session of the legislature to amend the constitution have provoked intense speculation on his current intentions and capabilities.

ceed him. There is equal speculation that Jean-Claude is incapable of fulfilling his father's alleged wishes.

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Some officers have been reassigned, while others, notably former Armed Forces Chief of Staff General Gerard Constant and his Deputy, Col. Jacques Laroche, are believed to be without assignment. Little is now known on how Duvalier plans to amend the constitution. There is considerable speculation, however, that he hopes to create a mechanism that will ensure that his 22-year-old son Jean-Claude will eventually suc-

The puzzling presence of approximately 1,800 militia men in the vicinity of the National Palace on 11 December and their abrupt withdrawal may well have been a Duvalier device to intimidate potential opposition to his changes in the military. There is no evidence that Duvalier's control has diminished or been seriously challenged. He is a proven master at the art of taking the opposition, real or imagined, by surprise, sowing confusion, and bewildering observers. The events of December suggest that his mastery is unimpaired.

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PANAMA: Top government officials have signaled their intention of demanding full control over the Canal Zone in any treaty negotiations. Foreign Minister Tack this week deplored the continued existence of the US Canal Zone Government and publicly stated that the question of territorial jurisdiction over the Zone would be the key treaty issue. Earlier this month General Torrijos addressed himself to the same point when he stated that it was completely unacceptable that

the territory of another country with its own laws, police, and flag should exist within Panama. The government does not yet appear to have developed a formal negotiating position, and there is as yet no evidence that Panama will attack the vital US interests pertaining to the operation, control, and defense of the Canal. Nevertheless, the regime has already developed a tough public position on the sovereignty issue.

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